

# Delaware Renewable Energy Taskforce Meeting

Delaware Public Service Commission, Hearing Room

861 Silver lake Blvd., Suite 100, Dover, DE 19904

<http://www.dnrec.delaware.gov/energy/information/Pages/RenewableEnergyTaskForce.aspx>

Wednesday, April 13, 2011

9:30am-12:00pm

## Welcome and Introductions

## Update from the Solar Sub-Group

**Glenn Moore, Delmarva Power-** The sub-group is moving ahead with good process. The sub-group continues to meet weekly to work through and discuss the details of the SREC procurement process. There is a meeting scheduled with the SEU to discuss their involvement and what they can bring to the process. The sub-group is in the beginning of determining the contract language for all the parties that will be involved in the SREC process. The sub-group will have a progress report at the next taskforce meeting.

## Changes to the proposed SREC procurement one-pager

**Glenn Moore, Delmarva Power-** Under number 10 on the one-pager the following numbers were changed tiers 1 & 2 will be allowed to generate up to 110% (not 120%) of contracted annual volume and tier 3 & 4 must provide a minimum of 90% (not 70%) and maximum of 110% (not 120%) of contracted annual volume.

Question from Senator McDowell- Does weather affect the minimum?

Glenn Moore- It's an annual period of time.

## Vote on the Proposed SREC Procurement Key Attributes

Member	Organization Represented	Vote
Mark Neilson	Delaware Electric Cooperative	Abstain
Dale Davis	Delaware Solar Energy Coalition	Yes (for adoption)
Senator Harris McDowell	Delaware Sustainable Energy Utility	Yes (for adoption)
Pat McCullar	Delaware Municipal Electric Companies	Yes (for adoption)
PSC Chair Arnetta McRae	Delaware Public Service Commission	Abstain
Stanley Merritt	DuPont (renewable energy research & development industry)	Yes (for adoption)
Glenn Moore	Delmarva	Yes (for adoption)
Tom Noyes	Environmental Advocacy Organizations	Yes (for adoption) late yes
Michael Sheehy	Delaware Public Advocate	Did not vote
Carolyn Snyder	Delaware Department of Natural Resources and Environmental Control	Yes (for adoption)
Fritz Krussman	Motech Americas (local renewable energy manufacturing industry)	Yes (for adoption)

## **Comments:**

Senator Harris McDowell- Will take this information back to the SEU board. The SEU co-chair Dr. John Byrne has voted in favor of the process and we are on the same page.

## **Presentation: “Jobs and Economic Impacts: An Analysis of Delaware’s Solar Market” Peter Olmsted, The Vote Solar Initiative.**

Introduction to The Vote Solar Initiative.

Overview of NREL’s (National Renewable Energy Laboratory) JEDI (Jobs and Economic Development Impact) Model. The JEDI model provides the economic impacts on a variety of fuel types. Methodology for JEDI is based off of IMPLAN (IMpact analysis for PLANning).

Delaware assumptions: included Delmarva, DEMEC, DEC and the third party suppliers, 14% capacity factor, third party suppliers from PSC (1.2% growth rate) and pilot program tier breakdown. Total DE solar build out 364 MW of name plate capacity.

The model was run twice: one run at a low level of local level content, procurement and labor and one for high local level the same three categories. The scenarios that were run in the model included: Tier 1 100%, Tier 4 (100%), and Tiers 1 through 4 (all market segments). Explanation of primary variables (% spent locally). Explanation of assumptions and JEDI inputs: average installed costs, increasing average system size, decreasing average installed costs, O&M costs, no inflation built in, and modeling applied through CY 2019. Modeling was only completed through CY 2019, because there was decreased confidence after 2019.

Direct jobs in the solar industry, range in skill sets, requirements and backgrounds. From the most recent solar job census, there are 100,000 active jobs in the US and 50% of the firms that were contacted for the census stated that they were looking to hire over the next year.

Construction period Results of analysis. A total of 80 runs of the model. Number of jobs assumed for the installed capacity. This includes everything: project development, onsite labor, manufacturing, etc. Jobs in DE through 2020 ranges from utility-scale solar with low level content at 180 jobs to small-scale with high local content at 607 jobs. Jobs in place now? 450 jobs currently includes all aspects within the solar industry.

All of the projected job numbers are based on Delaware’s current RPS legislation.

Question Stanley Merritt: What is the level of the solar industry jobs? Entry level?

Peter Olmsted: Will follow up.

Question Michael Sheehy: There is a 10% adder in the legislation for local jobs and manufacturing. Is this accounted for here?

Peter Olmsted: Yes, the low level content and high level content account for the adders

Carolyn Snyder: The adders drive the Delaware high level content scenario.

O&M Jobs show jobs supported through 2019. The average lifespan for a solar facility is about 25 years.

Earning and Economic Output information. The purpose of completing the high and low levels of content were to show a range of options based on how the RPS is implemented for the state.

Question Glenn Moore: What did you do about disposable income?

Peter Olmsted: The only output that would show that is the induced impacts. At the end of the day this is a gross analysis.

Question Mark Neilson: Do you consider when the utilities would hit the 1% circuit breaker?

Peter Olmsted: No

Glenn Moore: The numbers that were presented in this presentation were in the ballpark with other reports including the MJ Bradley study that Delmarva completed.

Senator McDowell: There is some danger in developing a hockey stick and one of the goals of the SEU is to not allow that to happen. We don't want to build an industry and have it not be sustainable.

**Public Comment:**

Jim Black: Supportive of the taskforce. Questions about economic impact, the money does not disappear it circulates within the economy. If we can keep the money turning locally, it will only help the local economy. Not to mention the environmental benefits of renewable energy. This will be an economic benefit to our state.

Tom Noyes: Delaware ranked low in the home generating ranking. The more dollars that are kept here, instead of going out of state the better.

John Nichols: I am pleased to see the economic study of the RPS. The gross numbers are interesting, the net numbers mean everything. The American Traditions Institute will be modeling the net numbers for DE. I would hope that the taskforce will have them present at a meeting. Spain's experience was 2.2 jobs lost, Italy was 4.8 jobs lost. Energy intensive jobs will be leaving. I would like a decision today about American Traditions presenting.

Tom Noyes: Green jobs to jobs lost brings us back to McDowell's point we are not using the same mechanisms that other countries or states used. When you look at the European model, I find little comparison.

Pat McCullar: Will your model be on what is here in Delaware? Will it be specific to Delaware? If so, I think that it is only fair to have that presentation.

Michael Sheehy: I think that it will be reasonable to have another voice at the table.

Mark Neilson: I would support looking into the study. It would be helpful to have a broad perspective.

Glenn Moore: It's a good idea, but we have to keep in mind what we have to do. We are trying to complete the tasks outlined in the legislation in the most balanced perspective. I would like to see the study when it's completed.

Carolyn Snyder: The studies that the taskforce have seen are about the variety of ways to implement the RPS. We have seen frameworks to implement, those are the studies that will be most helpful.

Senator McDowell: There are a lot of studies out there. It might be better to create a sub-committee to evaluate the proposed study in order to determine the appropriateness of the study.

Tom Noyes: John, does the American Tradition study exist?

John Nichols: It is in progress

Michael Sheehy: I appreciate the Senator's approach, I think that it is a wise approach.

Pat McCullar: I feel that could be a bias approach. That's why I think that we need to have a presentation from the other side.

Tom Noyes: I would not favor spending 45 minutes to argue the US commerce clause.

Dale Davis: The presentation that we heard today was about job tearing, job development, etc. The economic impacts need to be based on the elements of what we saw today.

Glenn Moore: Let the sub-group see and review the report and make a recommendation back to the taskforce.

Mark Neilson: I share the concerns with time and resources. However, it should go to the whole committee.

Carolyn Snyder: We will have the report circulated to the whole taskforce, the taskforce will have a discussion and the whole taskforce will determine if we should move forward with a full presentation.

Stanley Merritt: I am adamant about having the opportunity to review the material.

**Motion: Pat McCullar: I move to accept the study offered by John Nichols, to have it distributed to the entire taskforce with the opportunity to review.**

**Tom Noyes: Second the motion**

**The following policy was voted on by the Delaware Renewable Energy Taskforce:**

**All presentations/studies must be congruent with the tasks and responsibilities outlined in the Delaware Code Title 26, Chapter 1, Subchapter III-A, §360(d). Presentations and studies should not provide evaluation on the renewable energy portfolio standard (RPS) or other commentary of the appropriateness of Delaware's RPS. All presentations/studies will first be evaluated on the robustness and validity of the models and data used to develop the product.**

**All presentations/studies must be submitted to DNREC staff two weeks prior to the scheduled taskforce meeting to allow for the opportunity to review the documents. The taskforce will then provide a recommendation to either hear the presentation publically at the next scheduled taskforce meeting or not hear the presentation.**

**The taskforce reserves the right to suspend this rule at any time.**

**In favor: PSC Chair McRea, Tom Noyes, Fritz Krussman, Carolyn Snyder, Glenn Moore, Stanley Merritt, Pat McCullar, Senator McDowell, Dale Davis and Mark Neilson.**

**Did Not Vote: Michael Sheehy.**

Written Public Comments:

Matt Strangfeld, Bright Path Energy: Applaud the efforts of the Delaware taskforce towards creating additional opportunities to incentivize solar development in DE. Suggestions: developer cap should be included and utility affiliate eligibility should be limited.

Phillip Kehn: Would like the taskforce to focus efforts on wave power for the state of Delaware. Also research Envisionsolar.com solar trees that are installed in parking lots. Would also like information on the 62 dams that are currently in DE.

Adjourn.